



**MINUTES
FREMONT PLANNING COMMISSION
REGULAR MEETING OF JUNE 26, 2014**

CALL TO ORDER: Chairperson Pentaleri called the meeting to order at 7:00 p.m.

PRESENT: Chairperson Pentaleri, Commissioners Bonaccorsi, Jones, Karipineni, Leung, Reed

ABSENT: Dorsey

STAFF PRESENT: Kristie Wheeler, Planning Manager
Wayne Morris, Principal Planner
Ingrid Rademaker, Principal Planner
Prasanna Rasiah, Deputy City Attorney
Joel Pullen, Associate Planner
Alice Malotte, Recording Clerk
Chavez Company, Remote Stenocaptioning
Napoleon Batalao, Video Technician

APPROVAL OF MINUTES: None

DISCLOSURES: **Vice Chairperson Jones, Commissioner Karipineni and Commissioner Leung** drove by the site of Item 3.
Commissioner Bonaccorsi had a brief email exchange with the Human Relations Commission Chair and emails with representatives of Abode Services regarding Discussion Item.
Chairperson Pentaleri discussed Discussion Item with supporters of Laguna Commons project and supported their presentations as it went to City Council. He continued to attend meetings that included Discussion Item and exchanged correspondence and framing of issues in that context. He held two conversations with John White with Allied Housing.

CONSENT CALENDAR

THE CONSENT CALENDAR CONSISTED OF ITEM NUMBER(S) 1 AND 2.

IT WAS MOVED (REED/BONACCORSI) AND UNANIMOUSLY CARRIED BY ALL PRESENT THAT THE PLANNING COMMISSION TAKE THE FOLLOWING ACTIONS ON ITEM NUMBER(S) 1, 2 AND 3.

- Item 1. **NILES LUX HOMES - 111 E Street - (PLN2014-00230)** – To consider a Rezoning from R-1-8(HOD) (Single-Family Residence with Historic Overlay District) to Preliminary and Precise Planned District P-2014-230 and Vesting Tentative Parcel Map No. 8963 for a three-lot single family residential development on a 0.43 acre parcel located in the Niles Community Plan Area, and to consider a categorical exemption from the requirements of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures.

CONTINUE THE PROJECT TO A DATE UNCERTAIN TO ALLOW TIME FOR THE PROJECT TO BE RESCHEDULED FOR A HISTORICAL ARCHITECTURAL REVIEW BOARD (HARB) MEETING, PRIOR TO THE PLANNING COMMISSION MEETING.

- Item 2. **ELECTRIC VEHICLE ORDINANCE – Citywide – (PLN2014-00237)** – To consider a Zoning Text Amendment to Title 18 (Planning and Zoning) of the Fremont Municipal Code to add Electric Vehicle and Motorized Bicycle Sales and Service to the list of permitted uses within Industrial Districts, and to consider an exemption from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(b)(3).

HOLD PUBLIC HEARING.

AND

FIND THAT THE ZONING TEXT AMENDMENT IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3) BECAUSE THE PROPOSED AMENDMENT

AND

FIND THAT THE PROPOSED ZONING TEXT AMENDMENT (ZTA) IS CONSISTENT WITH THE GENERAL PLAN, INCLUDING POLICIES IN THE LAND USE AND ECONOMIC DEVELOPMENT ELEMENTS AS ENUMERATED IN THE STAFF REPORT, AND FIND THAT THE PROPOSED ZTA FURTHERS THE PUBLIC INTEREST, CONVENIENCE, AND GENERAL WELFARE OF THE CITY BECAUSE IT WOULD ASSIST THE CITY IN MEETING ITS SUSTAINABILITY AND ECONOMIC DEVELOPMENT GOALS AND ADD TO THE CITY'S SUSTAINABILITY PORTFOLIO.

AND

RECOMMEND THAT THE CITY COUNCIL INTRODUCE AN ORDINANCE AMENDING THE FREMONT MUNICIPAL CODE TO ADD A DEFINITION OF MOTORIZED BICYCLES TO CHAPTER 18.25 (DEFINITIONS) AND TO AMEND CHAPTER 18.50 (INDUSTRIAL DISTRICTS) TO ALLOW THE SALES AND SERVICE FOR ELECTRIC VEHICLES AND MOTORIZED BICYCLES AS A PERMITTED USE IN ALL INDUSTRIAL DISTRICTS AS SHOWN IN EXHIBIT "A."

Commissioner Bonaccorsi commended staff for taking the initiative to allow more electrical vehicle uses throughout the City without undergoing the need for rezoning.

Item 3. **5555 AUTO MALL PARKWAY GENERAL PLAN AMENDMENT - (PLN2014-00311)** – To consider a General Plan Amendment to change the land use designation of a 10.71-acre site from Regional Commercial to Tech Industrial located in the Bayside Industrial Community Plan Area, and to consider an Addendum to the previously certified Environmental Impact Report (EIR) (SCH No. 2010082060) prepared for the Fremont General Plan Update pursuant to the California Environmental Quality Act (CEQA).

Commissioner Bonaccorsi stated that by allowing Cenex to expand and keeping it in the City was very proactive and exciting for the City.

HOLD PUBLIC HEARING;

AND

RECOMMEND THAT THE CITY COUNCIL:

ADOPT THE ADDENDUM TO THE ENVIRONMENTAL IMPACT REPORT (EIR) FOR THE GENERAL PLAN UPDATE (SCH NO. 2010082060) AS SHOWN IN EXHIBIT “A.” PREPARED PURSUANT TO THE REQUIREMENTS OF CEQA GUIDELINES SECTION 15164;

AND

FIND THAT THE PROPOSED PROJECT IS CONSISTENT WITH THE GENERAL PLAN AND FURTHERS THE PUBLIC INTEREST, CONVENIENCE AND GENERAL WELFARE OF THE CITY IN THAT IT WOULD SUSTAIN AND PROMOTE THE CREATION OF JOBS, SALES TAX REVENUE, AND A DIVERSE AND DYNAMIC LOCAL ECONOMY.

AND

ADOPT A RESOLUTION APPROVING A GPA TO CHANGE THE LAND USE DESIGNATION OF THE SUBJECT PROPERTY FROM REGIONAL COMMERCIAL TO TECH INDUSTRIAL, AS SHOWN IN EXHIBIT “B”.

The motion carried by the following vote:

AYES:	6 – Bonaccorsi, Jones, Karipineni, Leung, Pentaleri, Reed
NOES:	0
ABSTAIN:	0
ABSENT:	1 – Dorsey
RECUSE:	0

PUBLIC/ORAL COMMUNICATIONS - None

PUBLIC HEARING ITEMS - None

DISCUSSION ITEMS

- Item 1. **2015 - 2023 HOUSING ELEMENT UPDATE - Citywide - (PLN2014-00318)** – To review and provide comment on the proposed 2015-2023 Draft Housing Element Update prior to submitting to the State Department of Housing and Community Development (HCD) for their review.

Principal Planner Rademaker gave a brief presentation stating that a briefing on the process had been provided to the Planning Commission in February during the Public Outreach process. The Draft would be submitted to HCD in mid-July following input by the Planning Commission and City Council review and input on July 15th. Actual input would be allowed up to the actual adoption sometime in Fall 2014.

The Housing Element was a requirement of the City's General Plan and contents were established by State Housing law and it must be certified by the HCD. The Certified Element was important, because it allowed the City to qualify for housing funds and grants and it strengthened the legal validity of the General Plan. Recent legislation required an update every eight years, rather than every five years, as in the past. The City already has a Certified Housing Element, which enables the City to qualify for a new streamlined review. Under the streamlined review, only those portions that had changed needed to be updated. Those elements/items would be indicated by underlined text or with yellow highlighted table items. HCD would conduct a 60-day public review of qualified elements with comments reviewed by City staff in August and September. Once HCD has indicated that the Element is in substantial compliance with Housing Element law, staff would schedule the item for a public hearing with Planning Commission review and City Council review and adoption, expected in October and November.

Specific contents that must be included, per State law, are: Public Outreach Efforts; Goals, Policies, Programs and Quantified Objectives, as appropriate; Housing Needs Assessment, including demographic and existing housing conditions; and inventory of vacant and underutilized land that is designated and zoned for residential development. Inventory must show the City could accommodate its Regional Housing Need Allocation, which is the prescribed the number of housing units that the City needs to accommodate over the planning period, based upon projected household and job growth in the community. An analysis of constraints to housing development must be included.

Public Outreach Efforts began in February, which included a town hall meeting with 40-45 people in attendance. Two focus meetings were held in February and June; which were small in scale for input by interested parties. The City's website had a link to the Public Draft, and Open City Hall allowed comment on housing issues. General comments have been summarized and were included in the Appendix. Comments included promoting home ownership (new policy created); exploring the requirement of construction of affordable units in the Transit Oriented Development (TOD) areas (revised action in Chapter 2); encouraging unit size variety (existing

action and new action); distribution of affordable housing (existing action and policy); addressing housing displacement from new development (new action); and taking more active role, regionally and at State level, to effect housing legislation (new policy and action).

The Draft Errata shows current public comments and would include further notations made tonight and accompany the document to City Council for review.

Commissioner Bonaccorsi asked the following:

- What was the “Fair Share Process” by which the State set forth housing needs, then the Association of Bay Area Governments (ABAG) set forth regional housing needs allocations. What was Fair Share and Sustainable Community Strategy, and what was the interrelationship between that and Priority Development Areas (PDAs) in the City?

Principal Planner Rademaker explained that the State developed housing projections based upon housing need, which were distributed regionally to the local council of governments (in this case, ABAG). The assigned regional need was allocated to the various jurisdictions. In the past, the methodology had taken into consideration job and population growth. In this particular needs assessment cycle, the PDAs instituted by the various local cities (four PDAs were in Fremont), were areas identified for new and increased higher intensity development, specifically around TOD developments and transit areas.

- One of the aspects of the PDAs was that they were part of the SB375 Sustainable Community Strategies. Would the Housing Element really address growth in such a way that it would minimize carbon emissions by having growth near public transit so that people would have the ability to move around the Bay Area to jobs? *That was correct. It was also reflected in the updated General Plan with policies that focused on new development, new housing in those areas near transit, such as, the Irvington Area where there was a proposed BART station; Centerville with an existing transit station; Warm Springs/South Fremont Area where a new BART station was now being implemented; and also in the Downtown Area where there was an existing BART station..*

- What about affordability of housing and nothing in excess of 30 percent of median income should be utilized for housing? If it was, many people had to spend more than 30 percent of their gross income for housing. That figure may not truly reflect the actual cost relative to most people’s income. What was staff’s views on that; how was that arrived at; and how was that reflective, particularly in this community where housing costs were so high?

The regional housing need and area median income level was established at the State level. HCD estimated that within the Low or Very Low Income category, half of that would be for Extremely Low Income households. The City had a fairly high percentage of those households and it was difficult for those households to find housing when other costs were included.

Commissioner Leung asked about the same 20 percentage of the “Boomerang Funds” for affordable housing. What was the base of the fund? Was it the same as before? Had the base amount been increased according to inflation to the current level? Was it distributed on an annual basis?

Principal Planner Rademaker was not certain and believed that inflation had not been considered.

Commissioner Bonaccorsi clarified that, in the prior cycle, 20 percent of redevelopment dollars were allocated to affordable housing. Redevelopment dollars had been replaced by Boomerang dollars and a significant reduction had occurred.

Principal Planner Rademaker agreed.

Commissioner Karipineni had noticed that the percentage allocated to the various income levels was not consistent with the Bay Area or Alameda County as a whole. What factors determined the allocations?

Principal Planner Rademaker did not have an answer to her question. She promised to provide that information at a later date.

Chairperson Pentaleri opened the Public Hearing.

Debra Watanuki, Chairperson with Fremont Human Relations Commission (HRC), stated that one focus area was providing affordable housing within the City. A sub-committee of HRC has reviewed economic security, and is following the Nexus Study, the Housing Element, the Housing RFP development, and attended the Housing Element Community Stakeholder meeting and six meetings with Abode Services. They have also met with the City of Fremont Senior Services staff, the Congregations Organizing for Renewal, and Deputy Community Development Dan Schoenholz, and Council Member Anu Natarajan. The sub-committee reported on June 16th the progress to date. The percentage of the objectives that had been met was pretty dismal. The overall percentage of the objectives was 53 percent compared with the prior Housing Element from 1999 to 2006, which was over 70 percent. Also, a loss of 200 units had occurred that had accepted Section 8 vouchers, along with other housing subsidy programs that were struggling to find or maintain leases for residents. Funding had declined for affordable housing and about one million dollars had been dedicated from Boomerang Funds per year.

Based upon the sub-committee’s report, the Human Relations Commission has adopted two broad policies to address the lack of affordable housing in Fremont:

- The existing City’s Inclusionary Housing Ordinance and California Boomerang funds were insufficient to develop necessary revenue to support affordable housing. Therefore, they supported the establishment of additional revenue models to account for the full impact of development in the City on housing.

- Market forces were contributing to a net decline in available and accessible affordable housing. Therefore, they called for actions that would support retention of accessibility to existing affordable rental housing.

She asked that the above principles help to guide the Commission's discussions regarding affordable housing in Fremont.

The Commissioners made comments and asked the following questions:

- **Commissioner Reed** agreed that the 14.7 and 6.1 percentages were failure. Those were rates that would not be considered passing if associated with schools. *Chair Watanuki stated that the percentage for Moderate Income Households was 27.4 percent and Above Moderate Income was 151.6 percent.*
- **Commissioner Leung** asked if the HRC had any recommendations for action. Had any particular issues been encountered regarding the lack of supply for affordable housing applicants?
She had no official recommendations. There were no specific cases, but it was clear that there was a crisis. Working people were finding housing increasingly difficult to find and there had been a huge decline in affordable housing. Most of the construction was For Sale properties rather than Rental properties. Only one market rate apartment building had been constructed in the past 15 years. People with income levels of Extremely Low, Very Low or Low Income could never afford local For Sale properties, which was the bulk of the construction.
- **Commissioner Bonaccorsi** suggested that HRC could follow-up with formal recommendations on a future agenda that would allow for additional public input and the Commission and Council would have the benefit of their official recommendations.
That was their plan.
- **Chairperson Pentaleri** appreciated that the statistics shown on the Draft Housing Element (Table 3.1) had been raised. Of the 1,350 units needed for Very Low Income applicants, about 200 had been built. While 900 units had been identified as needed for Low Income, about 60 units had been built. Did the HRC have specific recommendations for revenue models?
Again, the Committee would make recommendations in the future.

Mary Murray, Fremont resident, stated that she had grown up in the City and she was "living that information." Although her husband had helped to build a local housing development, he currently worked at a reputable hardware store, but would not be able to afford to live in Fremont at this time. Their children were also having a hard time with affordability in Fremont, even though they all worked. One son had decided to move to Colorado, because of affordable housing there and her daughter and her family were living with her in her 1,000 square-foot home. Many multiple families inhabited the same size homes on her block, because of the lack of affordable housing. She was also a member of COR (Congregations Organizing for Renewal). She requested that affordable units be a large consideration with any new developments, such as in the TOD in Warm Springs.

The Commissioners made comments and asked the following:

- **Commissioner Reed** commended her for putting a face to the discussion.
- **Commissioner Bonaccorsi** commended her for her work with COR, which was part of the fabric of organizations that the City and region needed to think about solutions that would go beyond any particular jurisdictions. Our children and grandchildren should be able to live here, as well.
- **Chairperson Pentaleri** asked what specific ideas that she had.
Ms Murray believed that the 20 percent should be increased. The million dollar homes that her husband had helped to build were not needed. Any new projects should have at least an equal number of affordable homes included. She understood that waiting lists for affordable housing were as long as two years and Section 8 was closed for Fremont residents.

Ramzi Abdul/with translator, Fremont resident, stated that he was representing the Afghan community. He was proud to live in the United States and was happy to be able to live in Fremont. He had come from a country that was at war and had come here hoping to be safe and to live in peace. Affordable housing was a big problem. Other states also had this problem. When he applied for affordable housing, he was told that he had to match a particular income, which he was not able to do. He had had difficulty finding a job to support his wife and four children and it was also very difficult for new arrivals. He asked what they could do.

Saqib Sarajuddin/with translator, Fremont resident, was also part of the Afghan community. He asked that more housing be built to allow more opportunity for low income people to live in Fremont. The war in Afghanistan had made it difficult for many people. “Thank you for being willing to hear about our difficulties and problems.”

Louis Chicoine, Allied Housing/Abode Services Executive Director, stated that he was a long-term Fremont resident. Great progress had been made within the last 10 years. City staff was much more focused on targeting the limited resources to allow the best use of funds and, along with Council, have been open to creative new ways of doing housing. He believed that barriers that could be controlled should be considered. For example, the Crime Free Policy encouraged private landlords to exclude people who had problems in their past with the criminal justice system. This de facto policy was not in concert with the intent for accessible housing. The other exciting program was shared and co-housing, which, admittedly, was hard to make work, because conflicts and issues had to be worked out while sharing space.

The Commission asked the following:

- **Commissioner Bonaccorsi** asked for an example of shared housing in Fremont.
Mr. Chicoine did not know of anything in Fremont. Abode had shared housing in Santa Clara County as the result of a merger. It involved, for example, a single-family, four-bedroom home with four individuals sharing the common kitchen and

bathroom spaces. Social Services were essential for making it work and helping with resolution of conflicts.

- In the absence of redevelopment, did he have any ideas about how to begin to move beyond this pittance of the Boomerang dollars back to the levels when redevelopment money was available?

Part of the answer would be co-housing, a micro answer. Focus the local limited resources on products that could be leveraged. For example, voters had just voted to reallocate dollars to homeless veterans. This was a great opportunity to bring some of those dollars into Fremont by targeting some units to that population.

- **Commissioner Leung** applauded his comment about the City's efforts. In her opinion, the growth of funding did not happen as fast as job and population growth. Regarding shared and co-housing, until she was 12 years old, she had lived in shared housing. Usually, conflict was limited, because most people concentrated on how to survive and how to make a living. She was not aware of any similar projects in the Bay Area.

"American culture has been space." Homes have been built bigger and bigger. This idea is counter to that.

- With shared housing, usually an authority was needed to manage it. Was there some kind of model or program out there for the City to consider?

Yes, they were currently putting a concept paper together.

- **Commissioner Karipineni** was also interested in shared housing and the potential to use existing housing. She understood that five percent of funds could be used for oversight, ten percent could be used for services and the balance could be used for construction of these properties. Was that balance reasonable or should a greater amount be directed toward services?

Flexibility was the wisest way to go. Funding flowed to different places. Services might be leveraged elsewhere or it could not be leveraged elsewhere then the local percentage could be higher. It would not be practical to use those dollars and create less units. The City had been pretty good with those trends.

- **Commissioner Reed** believed that it was not possible for Abode to do things better. It had been an amazing force. As a member and leader of the disability community, they faced an overwhelming struggle to obtain proper housing.

- **Chairperson Pentaleri** asked if he had ideas that would improve the Housing Element with regard to people who had experienced legal issues in the past.

It was one of the local barriers to access affordable housing. This de facto policy created a barrier. HRC was focusing on the gaps and they were looking at this particular area. As a provider, they need a process for someone who has had past encounters with the criminal justice system to allow vetting and a process for describing a plan for what their likely behavior would be in the future. Local policy should allow for "redemption." Many people were caught in a social problem, like the war on drugs and the criminal justice system.

- In his family, he had been closely acquainted with problems of exactly that nature, which had related to both employment and housing. If people were to be successfully reintegrated, they must be allowed redemption and second chances. He knew that active discussion and interest concerning shared housing and co-

housing had been occurring within the community. What would his recommendation be?

Actually, staff had put language into the Housing Element that related to feedback that he and others had given.

- Was this an appropriate topic for HRC to study and make specific recommendations by October?

Everyone should encourage them to do that.

- From his perspective, if an appropriate site was not listed in the Housing Element, was that an impediment or would having a site listed simply direct his attention?

It was more of the latter. The Housing Element Plan was a real opportunity to take the housing crisis seriously. It is a valuable tool for those who are looking for sites that might be developed for affordable housing. Ten years ago, sites were listed that were completely undevelopable, although they had met the State's criteria. That was no longer the case; later plans had taken this very seriously. The other factor was the marketplace. His fantasy was to locate diverse sites throughout town and have an owner who would sell. That was the problem; finding a property owner who was willing to "stick with you," which still took one to one and one-half years to secure the purchase.

- In the past Policy had stated that we should be consistent with SB375 and development efforts should be directed to Transit Oriented Districts and Priority Development Areas. Yet opportunity sites have not been identified uniformly across all the PDAs. This Housing Element, like the previous one, had not identified any opportunity sites in the Warm Springs District, which had no built affordable housing and an almost complete BART station. Would developers of affordable housing like to see specific properties identified in the Warm Springs District?

Yes, if the Plan was taken seriously, every parcel of land in the City would be named that would make sense for this sort of development. The challenge was the marketplace. He agreed that there should be sites in the Warm Springs District.

- Was there something that the City could do with this Housing Element to ensure that housing of all levels of affordability would be provided in Warm Springs and, consistent with one of the principle goals, that they be of high quality and available throughout the City.

For the record, his organization was very focused on the Extremely Low Income Special Needs Population, former homeless. That was why he was talking about flexibility. The In Lieu Fee approach as a reform to the initial Inclusionary Housing zoning was a major step forward, because most of those dollars had gone to buying the sort of units that were not created by for profit developers. It would be interesting to see if those fees could be used to fund an infill site.

- If the Warm Springs Plan is successful, a lot of employment would occur. Even today, the pay scale at Tesla began at \$17.00 per hour, which put an employee in the Very Low Income category for a family of two. So, workforce housing up and down the affordability scale was needed in that area and the In Lieu Fee mechanism was critical to being able to provide that.
- **Vice Chairperson Jones** expressed appreciation for Abode Services. It provided a need that, unfortunately, it would never come close to filling. Was the Crime

Free Initiative actually keeping people from getting into housing? Or was it expected to govern activity once they were into a lease situation?

He understood that it was both. The screening out was informal. If a private property owner met with a person in police uniform, he would probably really listen to that authority, who might suggest that "You should have this policy that you don't accept people with X, Y and Z." HRC was in the process of zeroing in on Rapid Rehousing for Extremely Low and Low Income, which involved organizations like Abode who work with private landlords to buy the rent down so that families and individuals could afford it. He was beginning to see that the screens were such that credit history, evictions and problems of the past, not just criminal history, screened out certain individuals, which amounted to an inability to place Fremont homeless individuals back into the Fremont market, even with subsidies and support.

- The initiative was designed so that the landlord could easily evict a problem tenant through a lease addendum that specified "this, this and this. . ." it would not be such a lengthy process in order to remove the tenant from the property.
He respected that portion of it. If someone's behavior was consistently or significantly disruptive, then natural consequences occurred. However, it was sometimes implemented as an arrest trigger not a prosecution trigger. Sometimes they went through the criminal justice system and had been deemed not guilty but lost their housing.
- That was not the intent of the Initiative. Has he had any successful models of shared housing in Santa Clara County?
As mentioned earlier, they merged with another organization two years ago and they now had 20 small properties of various sizes, single-family homes/ four-plexes that were shared housing. It was a challenge, but they were getting better at it and they were able to target the Extremely Low Income and Special Needs population. People on SSI at \$850 per month were trying to find housing.

Chairperson Pentaleri called a recess for the stenographer at 8:27 p.m.

Chairperson Pentaleri reconvened the meeting at 8:40 p.m.

John White, Abode Services/Allied Housing Director of Properties and Assets, stated that he lived in East Palo Alto, which was a poor community that struggled with affordable housing issues. The City of Fremont was one of the first to designate the Boomerang Funds to be used for affordable housing, which was wonderful considering it could have gone into the General Fund and used for other things. Adding onsite social services was very important to the success of affordable housing and the City was way ahead of many of the Cities in the Bay Area. Action Items 3.03E and 3.04C related to Alternative Housing Concepts was a real key component to solving problems with limited money. Shared housing was also an opportunity for people to afford housing on their own with a disability income and without a subsidy. The addition of second units and the densification of the existing housing stock would be a good area that should be pushed further. A maximum square footage allowed on new developments or on a percentage of new development units was another

discussion point. If some of the units were forced to have square footages at 800 or 1,000 square feet, they would, naturally, be more affordable, which would pick up much of the Low Income Affordability range. He offered support for the City when exploring shared housing and exploring new and creative ways to find funding sources.

Commissioner Bonaccorsi asked if the Alternative Housing Concepts were within the umbrella of shared concepts or were there other concepts.

Mr. White replied that several items were listed in that section of the Housing Element and shared housing was definitely one of them. The City has played a leadership role by encouraging market rate developers to create their own affordable housing plans, instead of only the option of paying the In Lieu Fees instead of providing affordable units on site. One creative solution could be to buy a six-bedroom house to create shared housing, or coming together and buying an affordable housing property using the developer's cash advantage to land bank it until when the funding became available to the City.

Chairperson Pentaleri asked the following:

- Did he see second units as granny units? Where would they fit?
Yes. Second units were naturally smaller and zoning required that they be a certain size with a kitchen and bathroom and could be attached to the existing house or could be separate. They would typically cost about \$100,000 to build and rent for \$800.00 to \$1,000.00 per month, which would be much more affordable than a one bedroom apartment.
- Was he suggesting that being more receptive to second units would be densifying by building second units on a given piece of property?
Sure.
- Would he elaborate on allowing maximum square footage on new units?
He had formally practiced as a civil engineer in the State of New Jersey and that was one of the ways they provided affordable housing. They had an inclusionary ordinance similar to Fremont's; that required that a certain percentage of the units had to be affordable. Some cities adopted that and others adopted maximum square footage for a certain percent of the units, which made them affordable for the long term, as opposed to restrictions that were in force for 10, 15, 20, 30 years.
- Did he have personal experience in the community where part of this had been implemented as part of their affordable housing measures?
Yes.
- That was an intriguing idea with respect that deeper levels of affordability were available near this Warm Springs transit hub. Would you like to see specific properties in Warm Springs be included within the Housing Element?
Sure. He would like to see specific housing opportunity sites increased all over the City. The more the better.
- Is the City on the right trajectory?

It might be wise to recommend a study of the Warm Springs area as part of the Housing Element goals and look at what other cities and other areas of the country had done to get all levels of affordable housing involved in a new development area. This could be a unique opportunity, since Warm Springs was farm and industrial at this time and development was starting from scratch.

Commissioner Karipineni stated that it was encouraging to hear from others that Fremont has been a leader in the Bay Area when trying to address the affordable housing issues. However, in light of the housing report card, it was a disappointment. Were there cities anywhere in the country where people had done a good job of coming together with developers, the city, etc., and coming up with these creative models that might be worthwhile for the City to consider for Warm Springs?

Mr. White could not speak to specifics, except where he had previously worked in New Jersey and some of the big cities, such as New York City. Some of them had converted an industrial section of the city, such as an old Army base or an old factory base that was no longer being utilized and where they had developed 500 or 1,000 acres all at the same time. People needed to be very intentional about the housing choices and options and what kind of housing mix was on the front end. Typically, if that was not regulated into the plan, then it became the hot, trendy area where the wealthy folks worked and lived and the rest were pushed out and gentrification happened.

Commissioner Karipineni recalled how the Warm Springs community brought different people together to make sure that a school would be located there and how much forethought it had taken. Perhaps it would be prudent to do something like that for affordable housing, some kind of a model in mind.

Mr. White agreed.

Doug Ford, Fremont Resident, asked for clarification on Action 3.01-C, which stated that under the RDA, 23 percent of affordable dwellings were targeted for ELI. Later in the same paragraph, the State legislation said that 30 percent of all revenues coming back to the redevelopment successor agencies had to be spent on ELI. He asked if the City had any of those monies coming back from housing assets. If there were no housing assets to which that 30 percent applied, it seemed it was inappropriate being in the Housing Element.

On page 136 under Constraints in the Affordable Housing Section, one bullet occurred for sales projects with 15 percent for Affordable (and perhaps going up to 20 percent) and one bullet noted that for rent projects there was a fee, but it was not specified and how it would be negotiated.

It was a very simple process to support affordable housing; but one must have some money. Without it, one could talk about how much it was needed, how great it would be for the community, how everyone would benefit from it, but “it ain’t going to

happen.” Three sources of revenue were available at this time for affordable housing: the Inclusionary Zoning In Lieu Fee (this alluded to rental fee for new rental development), and the Boomerang Funds. Two other sources of funding could be even greater than those that Fremont had refused to even explore, although 20 jurisdictions in the Bay Area have a Housing Linkage Fee that applied to every commercial and industrial development. It generated more money in small cities than had been available with redevelopment for affordable housing. Staff’s rationale in the Plan said, “The staff has not recommended the linkage fee, because the City has not wanted to disadvantage Fremont in its economic development efforts.” Where else in the Bay Area could 860 acres of open space be found for development of industrial and commercial? Five jurisdictions in Alameda County (Oakland, Berkeley, Livermore, Pleasanton and Alameda), alone, already had these linkage fees and none of them were experiencing “economic disadvantage.” He suggested stating that a goal of exploring this possibility within seven years should be included in the Housing Element.

Another goal could be “Over the next X number of years, we will designate which pieces of property in the Warm Springs Area would be available and sited for affordable housing.” With 20 percent for affordable housing, 2,700 to 4,000 units of housing in Warm Springs could bring 540 to 800 units of affordable housing.

Commissioner Bonaccorsi asked the speaker to cite the section of the Housing Element that at least touched upon the Housing Linkage that said the City was not considering it.

Mr. Ford stated that it was in the end of the Appendix with comments from the second stakeholders’ meeting. He had read exactly what it said.

Chairperson Pentaleri asked him to elaborate on his thoughts regarding designating properties in Warm Springs.

Mr. Ford replied that the Warm Springs Community Plan had four planning parcels that had been designated to include housing, among other things. With the potential 800 units of affordable housing in that area, it seemed to be somewhat judicious to say that the City was not promising that would be the site and it did not want them to be all clustered in the corner of one of these four development areas. They should be scattered among all four areas. None had been cited in the Housing Element.

Anthony Federico, East Bay Housing Organizations (EBHO), explained that his organization was a 30-year old nonprofit that worked in all jurisdictions of the East Bay to expand and protect affordable housing opportunities. He asked that the Commission ensure that the City’s four PDAs remain accessible and affordable to a full range of incomes, such as:

- **Warm Springs** – 2,700 to 4,000 new residential units and developers would pay In Lieu Fees, which would fund development of affordable housing elsewhere.

The concern was that these transit oriented, service-rich communities could become exclusive to those low income households when most need that transit connectivity and service-rich environment. He recommended that language be added that the City would be more aggressive with regard to acquiring sites within the PDAs for affordable housing development.

and

Consider a policy that would incentivise or require market rate developers to dedicate parcels or portions of parcels within the PDAs for affordable housing development.

- **Housing Impact Fee and Inclusionary Requirements within the PDAs** - These areas would be expected to grow, with greater development and investment.
- **Existing Lower Income Households Displacement** – They promoted policies that prevented displacement, whether directly by specific development projects or indirectly as new development caused market rents to rise beyond an affordable level. Under **Goal 1, Chapter 2**, he recommended that removal of any household be replaced by one of a similar size and affordability, one for one.

The Commissioners asked the following:

- **Commissioner Bonaccorsi** asked if he was aware of where displacement of lower income households might be occurring within Fremont.
He did not know the fine points. He suggested that the local members would know the answer. The PDAs that had dense housing would run the risk of displacing existing low income communities.
- Thinking of the four PDAs in the City, he wondered if the ACE transit in Centerville might have some eligible housing that might be displaced, but not necessarily the Downtown station or Warm Springs, which was completely unimproved, or Irvington, which was commercial. He believed that it would not be a problem in Fremont.
- He asked staff if that goal could actually apply to the City's PDAs?
Principal Planner Rademaker was unaware of any particular instances. However, an Action had been included to start monitoring that possibility.
- **Chairperson Pentaleri** asked staff how they would envision the mechanisms. Were there models or communities that this replacement on a one-for-one basis had occurred? How had it been, or could it be, implemented?
Mr. Federico believed that this policy would put the responsibility on market rate developers to make certain that units removed from the housing stock would be replaced by units of comparable affordability and size.
- The remarks he had made earlier were very much in sync with the recommendations the speaker had made. Would he like to see his recommendations included within the Housing Element, such as a more aggressive policy regarding acquiring property in Warm Springs?
Policy 3.01-E stated that the City would assist affordable housing developers with site acquisition. For this policy to really produce sites proximate to transit and other services, it would need to be dialed up and become a more aggressive policy, along with the second part of his recommendation, above.

- Did the policy being implemented match the language of the goal in Warm Springs?
An opportunity existed to strengthen the City's commitment to doing that and to really make sure that Policy would result in significant land dedication for affordable housing by strengthening the Policy language.
- Did he feel that language that required allocation for deeper levels of affordability within the Warm Springs PDA belonged in the Housing Element, because, right now, there wasn't anything?
This challenge had been discussed a number of times tonight, which was how to get affordable housing built in the PDAs. The In-Lieu Fee had been great at producing revenues that could be used to produce affordable housing in the City, but no guarantee that those revenues would be used to finance affordable housing in the PDAs, which were the best sites.

Chairperson Pentaleri closed the Public Hearing and asked the Commissioners for specific recommendations for the Housing Element.

Commissioner Bonaccorsi asked the following of staff:

- What was staff's view of the interrelationship between the Warm Springs Community Plan, to be considered next Tuesday by City Council, and this Housing Element, a seven or eight year plan versus the study area in terms of meeting those RHNA Standards?
Principal Planner Rademaker replied that Action 3.04-A included the Warm Springs/South Fremont Community Plan and it discussed the objective to identify land use designations that would allow and provide a minimum range of units. It was not included, specifically in the sites inventory, because it had not yet been rezoned. It was possible those sites could be included in the inventory. Again, it was based upon HCD requirements that sites included in the Housing Inventory and counted toward the regional housing need must have designations and zoning in place, already.
- He agreed with streamlining, but wouldn't there a benefit to at least to discuss the possibility of deferring approving the Housing Element until after the determination of the Warm Springs Plan?
Planning Manager Wheeler stated that review would most certainly occur prior to adoption of the Housing Element. At this time, the process included receiving comments from the Commission and the Council (July 15th meeting), then HCD would review the Draft Element and the policies and programs would continue to be refined. Adoption of the Housing Element would likely occur sometime in the Fall. The Warm Springs Community Plan would be heard by the Commission on July 1st and would come before City Council on July 22nd. It would be adopted prior to when the Housing Element was adopted. In terms of the relationship between them, the Housing Element was a broad policy document that addressed many areas of the City while the Warm Springs Community Plan was an area specific plan. No specific policies in the Plan addressed affordable housing. Staff's intent was that whatever Affordable Housing Ordinance was in place at

the time that projects were proposed for development, those projects would be subject to that current Affordable Housing Ordinance. A Nexus Study was being prepared that would consider increasing required affordable housing from 15 percent to, perhaps, 20 percent and the fees associated with the payment of an In Lieu Fee rather than providing affordable housing. The Nexus Study would be coming forward at the time of the Housing Element and public outreach would occur in August and September. Introduction of discussions for the Notice of Funding Availability (NOFA) for another affordable housing project would occur during the July 15th City Council meeting. Council would provide direction to staff on the NOFA.

- It seemed, from the comments made by some of the public speakers, that a real desire existed to physically place affordable housing within Warm Springs. As he understood the current housing ordinance, each developer had the option of simply paying the In Lieu Fee, it went into the General Fund and it would go anywhere in the City. It could not be linked or locked into being used in the Warm Springs Area.
- Not discussed was how the Housing Element addressed the desire to have affordability throughout the community. Action 4.01-A, At Risk Properties and Table 4-30, page 101 – These were properties throughout the City that had affordability restrictions that were at risk, as defined in the Housing Element, of changing over to market rate housing. He knew that RHNA focused on new construction and new units at each cycle and these did not get counted towards the RHNA, and the City did not get any points with State. But when satisfying other goals, such as a diverse housing stock throughout the Community that did not seem to be weighted in any particular category, preserving affordability and these BMR units needed to be emphasized. How would Amber Court, due to expire in 2020, which was within the next eight-year cycle, remain affordable beyond that date?

***Principal Planner Rademaker** replied that staff worked with the property owner to preserve its affordability.*

***May Lee**, Housing Manager, stated that Amber Court was an interesting example, because at one time the City had issued bonds for the development of Amber Court. Subsequent to that, Amber Court was refinanced and they were now under contract with ABAG. She planned to work with ABAG prior to the expiration to preserve those units. She believed that ABAG would be able to provide attractive financing for units to remain affordable.*

- An identified governmental constraint was NIMBYism and the need to educate the public about the benefits of affordable housing. The table of At Risk Housing Units could be a great teaching tool to have this also on a map that showed where these units were located throughout the City and that showed that no one area was being targeted or isolated. A map was available tonight? Good!
Regarding the at risk units, a program was in place where three years prior to the expiration of a regulatory agreement or financing, staff began discussing the option of preservation with not only the developer but also with the financing group.

- Certain communities in the City were disproportionately underwater and they still had problems. Was there any kind of City-wide monitoring, such as a list of distressed properties that might be opportunities for funding for affordable housing, perhaps reinstituting Section 8?
No process was in place at this time. "One of the goals that the Housing Element presented was to promote more home ownership. We had some developers that, opposed to providing on-site units, they actually purchased homes and we were able negotiate with them where they were able to sell them to low income households." Staff was trying to provide incentives for affordable renters, something for them to reach towards and aspire to. She was seeing, at this time, that it was more affordable to own a home as opposed to renting.
- He knew of one home builder who had taken advantage of this idea and had actually rehabilitated units. If staff had a list of the distressed properties in Fremont, developers could be approached with the idea of buying up some of these distressed properties and working with Abode and other nonprofits about rapid rehousing.
- Table 6.4, relating to all developers, talked about the City's process for design review. It typically took 20 to 60 weeks for a General Plan Amendment. Studies were performed in 2008 to improve design review and one change was that the landscape architect was now working with the Planning Division. A lot more was needed to be done to expedite permit approvals, which he believed was an important goal for the next eight years.

Chairperson Pentaleri stated that he had been advised by a senior staff member that it would better if he did not use the word "fairness" in the context of this discussion, because of the connotation of costs associated with housing, along with it being a sensitive topic. However, it was a fair and important conversation to have. When discussing Laguna Commons, this topic had come up with regard to affordable housing. The State did not have a problem with discussing fairness of housing allocations and neither should the City. Goal 2 stated, "To insure the availability of high quality, well designed and environmentally sustainable new housing of all types throughout the City," which he understood meant at all levels of affordability. The map showing the as-built infrastructure did not match what was supposed to be according to policy, consistent with SB375, to direct housing toward the TODs and the PDAs and opportunity sites for future housing had not been identified in a pattern that "matches what we say our priorities are." The City's implemented policy did not match the City's stated policy.

The map of opportunity sites showed big gaps in Warm Springs. The City should be identifying sites and implementing policies to further Goal 2 that addressed sustainable housing of all types on all levels of well-designed affordability in the PDAs and was consistent with the sustainable communities' strategies.

In the same way that affordable housing developers claimed they had to bring in a high-quality development, which did not create resistance in the community and allowed them to be successful in the future when they wanted to bring in another

project. A disservice to furthering the affordable housing goal was created if the City's policies did not give an appearance of fairness throughout the communities. It was fair to not prevent Very Low and Low Income households from the ability to live in other parts of the City.

Commissioner Karipineni shared his views. She could see how the current practices could result in the situation of unfairness. She also agreed that really big opportunities seemed to exist where something different could be done. She suggested that perhaps it might be better to not offer as much flexibility or be limited in PDAs and not allow off site affordable housing to be built.

Commissioner Bonaccorsi saw the solution as seeing four PDAs and three BART stations as being a glass half full; a great asset. He saw many opportunities, especially since the City was the major landowner in the Downtown District, to create an environment for affordable housing near the Fremont BART Station. With so little financing available, the only way to obtain multi-tiered financing that would begin to dent the Extremely Low Income category was to have it near transit and amenities. The school district may not be able to get a new school so that the affordable housing could be met and to make certain it was fair. It was always a trade-off. He asked why did staff believe this distribution in this Housing Element, contrary to what **Chairperson Pentaleri** said, is, in fact, fair or approximated fairness across the City.

Principal Planner Rademaker pointed out Action 3.02C had a provision regarding the evaluation of options for encouraging or requiring developers in TODs to provide units onsite to fulfill their affordable housing obligations. Concerning Warm Springs, the designations and zoning were not yet in place. As part of the General Plan Update, new designations were adopted, specifically in the Downtown and that new designation is reflected in the land inventories.

He asked how would staff defend the charge that the distribution of affordable housing was . . .

Chairperson Pentaleri stated that he had talked about the perception. What he was trying to find out is if the policies in place in the Housing Element were, indeed, consistent with the stated goals.

Planning Manager Wheeler stated that Warm Springs was scheduled to be discussed soon, but since it kept coming up, three areas were within the Warm Springs Community Plan where residential land uses would be permitted and some of those properties were tied up by developers, so staff had been talking to them. In at least two cases, the developers were talking about affordable housing. Lennar had property near Tesla where the greatest number of residential units could be built and, given its proximity to Tesla and the potential for providing workforce housing, that was something they were talking very seriously about. Regarding the property east of the BART station, the developer was also talking about partnering with an affordable

housing nonprofit. She expected to see them bring in a plan soon after the Warm Springs Community Plan had been adopted.

Chairperson Pentaleri had the following comments:

- He was surprised that there were no dots on this map that identified opportunities for deeper levels of affordability. The concern was that, if the City did not have a policy regarding affordable housing, market rate, or at best 15 percent, would be affordable for moderate incomes, only. He felt that it should be in this document for the public to see, because of the question of perception.
- Regarding the In Lieu Fees, in February's public comments, someone had remarked, "It seems like the option to pay In Lieu Fees instead of building units onsite creates an exclusive area, because most developers choose to pay instead of build affordable housing. Can we require actual units to be built in Warm Springs and elsewhere?"
- He had come to believe that the In Lieu Fee was an essential mechanism through which funding of deeper levels of affordable housing could occur and it was absolutely critical. It was not an either there was an In Lieu Fee or there was no In Lieu Fee. He suggested that the Housing Element have a policy goal that looked at ways of tailoring the In Lieu Fee so that the expenditure of funds would be more overtly aligned with the policy goals by some kind of constraint. A developer had suggested that the Nexus Study might provide a mechanism to identify connections where In Lieu Fees were generated and where they were expended.

Chairperson Pentaleri called a recess for the stenographer at 9:59 p.m.

Chairperson Pentaleri reconvened the meeting at 10:09 p.m.

His additional comments were:

- He asked staff to make a good-faith effort with brainstorming, perhaps in the context of the Nexus Study, to consider retooling the implementation of the In Lieu Fees as consistent and as fairly as possible.
- Warm Springs was going to be a uniquely enormous opportunity for us, as voiced by Doug Ford. He suggested that, among other policy venues, a more explicit policy be implemented in the Housing Element that would help to achieve the goal of developing the deeper levels of affordable housing in the Warm Springs Area. The future workforce would span all those levels of need.
- He was particularly intrigued with the idea of using entirely different mechanisms than the In Lieu Fee. It helped with property acquisition and it should be used. An opportunity existed with the Nexus Study to look at the generation of the In Lieu Fees and insuring that they were targeting where the gaps were in terms of the actual as-built units.
- Other mechanisms could involve placing maximum square footage requirements for a certain percentage of units, as had been used in other communities. It could

be used in any of the PDAs. Some of the units seen at Laguna Commons were very small, studio-like units.

- Many other ideas about housing, such as, co-housing and accessibility to housing for residents with past legal issues.

Commissioner Bonaccorsi had the following questions and comments:

- What was staff's reaction to the concept of In Lieu Fees being restricted to a particular development area.
Principal Planner Rademaker stated that exploring that possibility would be included in the Commission's recommendation to City Council.
- Would staff support that? His assumed that the amount of In Lieu Fees generated by the developments was negligible in comparison to the housing costs and, at best, it could be only a small drop in the bucket to other financing mechanisms, city wide. Restricting the In Lieu Fees even further would hamper the ability for them to be used for projects wherever they happened to be located.
Yes, it would hamper assisting nonprofit developers.
- Was it only a couple of million dollars that were generated by the In Lieu Fees in the Housing Trust Fund? Okay. So his concern was the downside would be that it would have to be used close to home. Was that what **Chairperson Pentaleri** was suggesting?

A discussion ensued between **Commissioner Bonaccorsi** and **Chairperson Pentaleri** and it was agreed that this was the proper venue for a public discussion where these ideas were publicly shared.

- Co-housing should be considered and an HOA structure could take care of some of the issues. People should not be screened out on the front end, based on past criminal records. A distinction could be made between a nonviolent offense or even a violent offense that had occurred 20 years ago.
- He thanked **Housing Director May Lee** for the wonderful map and he hoped it would make its way into the Housing Element showing the various affordable housing assets that may be at risk.
- The assets that had been maintained through the redevelopment housing assets should also be reflected. He asked Housing Director Lee if she wished to speak to the redevelopment housing assets.
Housing Director Lee pointed out that Senate Bill 341 stipulated that a percentage of those housing assets funds would be actually earmarked to create Extremely Low Income Units. When trying to make the best use of those limited funds, housing ended up being developed in more affordable areas where the cost of property was so much lower than in other areas.

Chairperson Pentaleri expressed the opinion that, once someone had gone through the legal process and had completed their incarceration, "that's supposed to be the consequence." If the true wish was for these people to be able to reintegrate and to have an opportunity to become productive members of society, they had to have

access to jobs and access to housing. If those things were denied, they were put in a very difficult situation that pushed them right back in the wrong direction.

Vice Chairperson Jones explained that Crime Free was not a screening process; it was a lease agreement where one decided to abide by certain rules when one leased an apartment, which gave the landlord the ability to expedite an eviction process in the event certain issues came up.

Chairperson Pentaleri added that it was creating those opportunities for housing, and employment, as well, but it was reinforcing those good behaviors rather than pushing people into the direction of desperation, which make it difficult to conform.

Commissioner Bonaccorsi concurred with **Chairperson Pentaleri**. The reconciliation between the two points of views was to return to its original intent as a way to get someone out for bad behavior, but it should not be used to screen tenants.

Commissioner Bonaccorsi asked how all of these comments would be encapsulated so that they would have some impact going forward to the July 14th Council meeting.

Planning Manager Wheeler replied that staff had taken notes, along with the summarization of the Commissioners' thoughts during the last few minutes.

Commissioner Leung commented that real estate was driven by the market, along with supply and demand. Fremont was renowned for safety and good schools. She agreed with some of the other Commissioners and the affordable housing organizations in attendance. There would never be a point where everything was equal. The City was getting better and better and more people were moving here, whether or not they could afford it, and they loved to have their families grow up in Fremont. Perhaps more businesses would decide to establish their campuses in the City and they would provide more advanced manufacturing which would provide increased jobs, but as the same time, it could not be totally sacrificed. The market operated naturally upon supply and demand.

Commissioner Bonaccorsi reminded staff that the survey of distressed properties could be used as a tool to creating deeper levels of affordability for both renters and homebuyers in the community.

Deputy City Attorney Rasiah announced that a formal vote would be taken when the Housing Element came back to the Planning Commission for formal adoption.

REVIEW AND PROVIDE COMMENT ON THE PROPOSED 2015-2023 DRAFT HOUSING ELEMENT PRIOR TO SUBMITTING TO THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) FOR THEIR REVIEW.

MISCELLANEOUS ITEMS

Information from Commission and Staff:

- Information from staff: Staff will report on matters of interest.

Planning Manager Wheeler reminded the Commission that they had another meeting next Tuesday, July 1st at 7:00 p.m. The Agenda went out today. A regular meeting would be held on July 10th and the July 24th meeting had been cancelled. One meeting would be held at the end of August.

- Report on actions of City Council Regular Meeting

None

- Information from Commission: Commission members may report on matters of interest.

None

Meeting adjourned at 10:30 p.m.

SUBMITTED BY:



Alice Malotte
Recording Clerk

APPROVED BY:



Kristie Wheeler, Secretary
Planning Commission